



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Ken May, General Manager
597 South SR 24
Salina, UT 84654
(435) 286-4400 - Office
(435) 286-4499- Fax

#3580

OK

cc: April

Novemebr 3rd, 2010

Mr. James D. Smith
Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

NOV 09 2010

Re: Responses to Deficiencies identified by the Division to the Proposed 2010 Mitigation Activities for the North Water Spring Area, Canyon Fuel Company, LLC, SUFCO Mine C/041/0002

Dear Mr. Haddock:

Please find attached a letter and Division forms C-1 and C-2 in response to the deficiencies identified by the Division in regards to the Proposed 2010 Mitigation Activities for the North Water Spring Area for the Sufco Mine Task ID #3580

If you have any questions or need additional information, please contact Leland Roberts at (435) 286-4483.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine

Kenneth E. May
General Manager

Encl.

KEM/FLR:kb

cc: DOGM Correspondence File

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number: C/041/002

Title: 2010 Mitigation Activities for the North Water Spring Area

Description: Include reason for application and timing required to implement:

Response letter addressing deficiencies to North Water Springs Mitigation Plan Task ID #3580

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?
<i>Explain:</i> _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

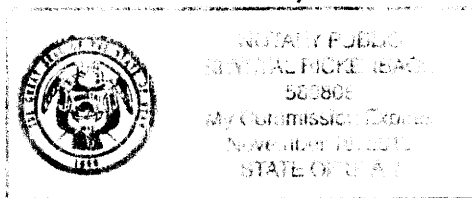
KENNETH E. MAY, MINE MANAGER
Print Name

Kenneth E May 11/4/10
Sign Name, Position, Date

Subscribed and sworn to before me this 4th day of November, 20 10

Kruptal Rickenbach
Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

NOV 09 2010

Form DOGM - C2 (Revised March 12, 2002)

Responses to the Division letter dated July 26, 2010 deficiencies list

[R645-301-731; 731.224.1; 731.750; 800]: Water Rights: The plan does not indicate that Canyon Fuel Company has a right to use the water from spring M-SP89 to divert for stock watering purposes. Prior to obtaining water from the spring, Canyon Fuel Company must demonstrate this right. (AAA)

Response: There is no specific water right pertaining to spring M-SP89. As discussed with the Division, Forest Service, BLM, and Division Water Rights on October 28th, 2010 a change application will need to be filed and approved to change the point of diversion from M-SP89 to Joe's Mill Pond, Pines 105, and Pines 310 and 311 with appropriate flow rates for each location. The Forest Service currently holds water rights associated with the drainage that M-SP89 reports to and will hold all water rights regarding the project.

[R645-301-721]: The scale on Figure 1 was shown as 1" = 1,000 feet. However the scale was not correct when measured and will need to be resubmitted when the final copy is incorporated in the MRP. (AAA)

Response: The scale will be corrected on the final submittal to be included in the M&RP.

[R645-301-800]: SUFCO must incorporate the costs of bonding for this pump system in their plan. (AAA)

Response: As per continuing discussions with the Division and Forest Service the type and amount of bond for the project has not been decided on.

[R645-301-521]: The applicant should include a plan, with maps, cross sections, narrative, descriptions, and calculations indicating how the relevant requirements are met in terms of the adequacy of all pumping, piping, and powering equipment that will be used in the system. The Division requests that when the details of pump size, configuration, etc. are submitted that adequate calculations are provided indicating that the pumping system will be of sufficient capacity to accommodate the size, length, and flow requirements of the system. (JCO)

Response: Once NEPA work has been completed and a final location of the pump, support system, and route for the pipeline has been approved by the USFS, Sufco will design and size the pumping system. A narrative, maps, cross sections, and calculations will be provided to the Division at that time demonstrating that all components of the system will perform their respective functions.

[R645-301-542.100]: The applicant must submit a detailed timetable for the completion of any reclamation that is associated with the project. Also according to **R645-301-526** and **R645-301-526.210**, the applicant must include a narrative explaining the construction, modification, use, maintenance, and removal of the water line system. In addition, a registered professional engineer must certify maps, cross sections, etc. (JCO)

Response: Reclamation of the area disturbed by installation of the water line system will occur immediately following installation. A complete narrative with certified stamped drawings of the water line project will be submitted once NEPA has been completed and the pump system can be designed and routed.

[R645-301-411.140]: At least one potentially eligible cultural resource site exists within the North Water Mitigation Area according to confidential appendix 4-2 of the M&RP. Please include the cultural resources locations on a map with the mitigation water line to show that the resources will not be affected. (IC)

Response: Once the USFS has completed the NEPA process and the location of all project related disturbance is determined, the cultural resource information will be submitted to the Division as an addition to the confidential appendix 4-2 of the M&RP.

[R645-301-333.300, -358]: Please include a protection and enhancement plan for habitats of unusually high value for fish and wildlife such as riparian areas. This could include protecting the riparian areas from overgrazing and ensuring an adequate amount of water to be restored to dried spring area in addition to filling a trough for livestock and wildlife. (IC)

Response: Sufco will protect outlet structures in the affected spring areas by fencing. Water replacement amounts are consistent with measured flows at the affected spring/seep areas. Sufco does not feel it is the mine's responsibility, nor do we have the right, to protect areas on Forest Service Lands from overgrazing from livestock that the Forest permits and allows to use said land.

[R645-301-353]: Please include a list of plant species that will be used in the seed mix for this project that meets all the requirements of this regulation. (IC)

Response: Sufco will use the approved seed mix that is found in its M&RP, unless the USFS determines another is more appropriate.

In addition before construction is started the North Water Mitigation Area will be included in that year's annual raptor survey and all appropriate Forest Service guidelines regarding construction around raptor habitat will be followed.